

D.P.U. 96-49-J

Application of Nantucket Electric Company, pursuant to G.L. c. 164 App., §§ 2-1 through 2-10 and 220 C.M.R. §§ 7.00 et seq., for approval by the Department of Public Utilities of the Company's proposed surcharge for the Residential Energy Conservation Service Program for fiscal year 1997 (July 1, 1996 through June 30, 1997). Nantucket Electric Company is a member utility of Mass-Save, Inc., which provides services on its behalf.

APPEARANCE: Amy G. Rabinowitz, Esq.
New England Power Service Company
25 Research Drive
Westborough, Massachusetts 01582
FOR: NANTUCKET ELECTRIC COMPANY
Petitioner

I. INTRODUCTION

On May 13, 1996, pursuant to G.L. c. 164 App., §§ 2-1 through 2-10 and 220 C.M.R. §§ 7.00 et seq., Nantucket Electric Company ("Nantucket" or "Company") filed with the Department of Public Utilities ("Department") a petition for approval by the Department of the Company's proposed surcharge of \$0.08 per monthly bill for the residential energy conservation service ("ECS") program for the fiscal year July 1, 1996 through June 30, 1997 ("FY 1997"). Nantucket is a member utility of Mass-Save, Inc. ("MSI"), which provides ECS to the Company's customers on behalf of Nantucket. The petition was docketed as D.P.U. 96-49-J.

Pursuant to notice duly issued, a hearing was held at the offices of the Department on June 4, 1996. No petitions for leave to intervene were filed. In support of its petition, the Company sponsored the testimony of one witness: Lisa M. Fowler, senior financial analyst at New England Power Service Company.¹ The Company submitted one exhibit which was admitted into evidence.

II. ECS SURCHARGE

The proposed ECS surcharge of \$0.08² per bill is calculated by dividing the total number of bills expected to be rendered during FY 1997 by the net amount to be collected to support ECS services (Tr. at 8). The Company indicated that its share of MSI's proposed FY 1997 ECS

¹ Ms. Fowler testified that New England Power Service Company provides professional, technical, and other services to Nantucket Electric Company and other companies in the New England Electric System (Tr. at 5).

² The Company's surcharge calculated to four decimal places is \$0.0771 (Tr. at 16). The calculation truncated to two decimal places would result in a surcharge of \$0.07 to be applied to customer bills.

program budget, approved by the Department in Mass-Save, Inc., D.P.U. 96-49 (1996), is \$11,895 (Exh. NE-1, Section II, at 1). In addition to the projected ECS program expenditures, the Company provided documentation which reconciled undercollections and overcollections from prior fiscal years (id.). The effect of these reconciling items is an overcollection of \$3,596.95 for the fiscal year July 1, 1995 through June 30, 1996 ("FY 1996"), and an undercollection of \$260.65 for prior fiscal years (id.). Adjusting the budget amount by these under and overcollections results in a net amount to be collected in FY 1997 of \$8,558.70 (id.).

For FY 1997, the Company proposed an ECS surcharge of \$0.08 per bill per month (Exh. NE-1, Section II, at 1; Tr. at 8). The proposed ECS surcharge is \$0.05 less than the ECS surcharge of \$0.13 per bill per month approved by the Department in Nantucket Electric Company, D.P.U. 95-46-J (1995) for FY 1996. Ms. Fowler testified that the change was due to an overcollection of \$3,596.95 in FY 1996, which occurred because actual FY 1995 expenses were less than had been projected in the budget (RR-DPU-1, at 1). III. FINDINGS

Based on the foregoing, the Department finds that:

1. the proposed FY 1997 ECS program budget, budget reconciliations, and proposed FY 1997 surcharge are reasonable; and
2. the ECS surcharge to be applied to Company bills during the fiscal year July 1, 1996 through June 30, 1997 shall be \$0.07 per bill per month. The Department notes that, although truncation may result in an undercollection, all companies participating in the ECS program truncate the surcharge calculation to two decimal places.

IV. ORDER

Accordingly, after due notice, hearing, and consideration, it is

ORDERED: That the ECS surcharge to be applied to Nantucket Electric Company bills during the fiscal year July 1, 1996 through June 30, 1997 shall be \$0.07 per bill per month; and it is

FURTHER ORDERED: That Nantucket Electric Company shall file for an adjustment to its ECS surcharge in the event that it is overcollecting by more than ten percent at the end of the third quarter of FY 1997.

By Order of the Department,

Mary Clark Webster, Commissioner

Janet Gail Besser, Commissioner

Appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part.

Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. (Sec. 5, Chapter 25, G.L. Ter. Ed., as most recently amended by Chapter 485 of the Acts of 1971).